

looking ahead

... A monthly report by the National Planning Association on forward-looking policy planning and research—announced, underway, and completed—of importance to the nation's future

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Accomplishments and the Tasks Ahead

25 Years of Private Planning

This article is a brief edited extract from the draft of a report prepared by the NPA Senior Staff. The last two sections on the tasks ahead only sketch background for the work that needs to be undertaken in the national and international fields. The specific tasks are to be discussed at NPA's 25th Anniversary Joint Meeting.

DURING ITS FIRST quarter century, the National Planning Association has developed planning as a useful instrument of the American society for reaching important decisions. From the very beginning of its work, in the depths of the great depression, NPA has sought consciously to employ and perfect democratic methods of planning to assure that the accomplishments of national planning would strengthen, not weaken, our democracy.

Looking back, we can see that our economic system has evolved on two interrelated levels—an evolution of economic institutions, and an evolution in our economic thinking and attitudes. Both of these evolutions have been essential in the gradual transformation of our economic system. To both evolutions, NPA has made significant contributions during the past 25 years. The system of democratic planning which NPA has evolved operates uniquely. It has demonstrated that democracy can plan effectively, and in a way which keeps our basic freedoms. As practiced by NPA, democratic planning has these major elements.

- **Consensus—Not Compulsion.** Representing all major elements of private enterprise—agriculture, business, labor, and the professions—NPA's proposals are a consensus and thus promote the public interest, not the interest of a special group. They also seek to strengthen the performance and position of private enterprise in our society.

- **Leadership in Ideas.** In a free society, the power of ideas lies not in their dictation but in their inspiration. NPA organizes working groups of thinking men and women to exchange ideas which are tested against the facts, and developed by a technical staff. These substantiated findings and recommendations are then presented to the public.

- **Selection and Timing.** NPA seeks to plan for solution and to develop areas of common agreement before problems have become serious and pressing. In doing so, it has helped avoid many delays, animosities, and wasted energies usually generated on the battlegrounds of firmly fixed positions.

- **Practical Content.** Because NPA believes that good planning is a combination of theoretical planning plus realistic practice, its products are realistic as well as

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Looking Ahead

"... to succeed in this long, drawn-out competitive coexistence, we are of the opinion that the United States must capitalize on one additional quality—the joy of adventure. We find in America more willingness to accept risks and to participate in untried ventures than in most other cultures. . . .

"We must explore our new frontiers to the fullest extent. These lie in the fields of science and technology, and our leaders in these explorations must get all the backing which education in the humanities and pure science can give them.

"The peaceful use of nuclear power has recently been widely emphasized. We are glad that NPA is making a significant contribution also in this field. . . . Other possibilities also loom before us—power from sunlight; the control of climate; the use of the force of gravity which, if conquered, could revolutionize the world; artificial moons or satellites; as possible stepping stones to space travel; and many more. We can ill afford to ignore these possibilities or to become stingy in setting aside enough of our resources to become real leaders in these fields. Otherwise we may be subject to the painful surprise of learning that our adversaries are far ahead of us."

From a speech by H. Christian Sonne, Chairman, NPA Board of Trustees to the Joint Meeting of the National Planning Association on December 12, 1955.



objective, and are not the type of result produced by either a typical "research" or "action" agency.

Briefly reviewed below are the structure and workings of NPA, some highlights of its past achievements, its action in current critical areas, and the tasks ahead which face the private planning organization on the national and international scene.

The Organization

The National Planning Association is an association of private citizens from agriculture, business, labor, and the international fields, who believe that foresight and planning, is essential to the survival of our way of life, and that Americans should make more conscious use of planning to help solve their domestic and social problems. A nonpolitical, nonprofit, and nonpartisan organization, NPA is a tax-exempt educational and civic corporation. Incorporated in the District of Columbia in 1934, NPA is not endowed, but it earns its keep by the worth of its contributions to the American society.

The Association is governed by a Board consisting of leaders from the four major segments of the nation's economy. A Steering Committee, composed of Board members meets monthly to make basic program decisions. There are four Standing Committees—the Agriculture, Business, and Labor Committees on National Policy, and the Committee on International Policy—which meet jointly and separately to prepare reports and statements of national policy.

NPA has a National Council of 750 leaders in various fields of enterprise, public service, and the professions who serve as a sounding board of opinion for NPA. It also has a citizen membership of several thousand.

NPA's research projects, which are recommended by the Standing Committees and approved by the Steering Committee, are usually conducted under the supervision of a special project committee. Such a Committee consists of NPA members and other private citizens who are especially interested in the subject under study. The research is carried out by technical experts, who take responsibility for the factual analysis and conclusions of the project. The project committee is responsible for policy recommendations. Policy decisions are made by majority action, and each committee member has a right to express general or specific dissent in a signed footnote which is published with the policy statement. In this way, the views of the minorities are preserved, and public understanding of the issues is increased.

NPA Accomplishments

Speaking at the Ninth Anniversary meeting of NPA, the late Marion Hedges, an NPA trustee for twenty-four years, said of the first years of the Association: "Strange to say, the principal accomplishment in those early years was negative. The Board refused to be drawn into the

current general practice of making over-all plans. . . . They stated emphatically that planning was not blueprinting but planning was a method of approach, a technique, and an effort to adjust unchanging thinking to a rapidly changing scene. . . . With customary American individualism, the Board refused to take the position that planning belonged to Russia alone. We believed then, as we believe now, that the American Republic arose out of the planning techniques and, in that sense, is a modern nation."

The War Years

By 1941, however, NPA had established itself in the unique position of a meeting ground for those concerned with the orderly development of policy, and had, out of its studies, provided guide-posts for action. NPA's study, *Crisis in Steel*, received nationwide attention as the first warning of the impending shortage, and another study, *Crisis in Transportation*, set forth some of the measures necessary for mobilizing our transport facilities.

In 1943, NPA gave special impetus to postwar planning at the request of its Business and Labor Committees. The NPA study, *When Demobilization Day Comes*, was the first concise analysis of the magnitude of the problems involved in the transition from war to peace. The Joint Statement which followed aided in rousing public opinion in support of preparation for postwar adjustments.

Perhaps the first NPA report in the war years to achieve truly national recognition was *Business Reserves for Post-War Survival*. This report considered the need of business to prepare for the ending of the war, the public policy issues involved in such preparation, and the role of the government in helping business with its postwar problems. The study's recommendations pointed the way for a healthy transition into the postwar economy and showed that the best way to prepare for war's end was to participate actively in new productive developments.

Noting the absence of any government postwar planning agency, NPA in 1943 issued a Joint Statement, *Reconversion of Industry to Peace*, which outlined the major tasks of reconversion, and called upon the President to establish a reconversion agency under the Executive Branch. Within a week after the Statement was transmitted to the President, he established a postwar reconversion unit in the Office of War Mobilization. The President also requested that NPA prepare a written report implementing the general Statement already adopted.

At the end of the war, NPA initiated a study group on National Economic Budgets, whose purpose was to explore the economic problems of a peacetime economy. Their report, *National Budgets for Full Employment*, presented various alternatives by which economic development with virtually full employment could be maintained, and its findings were utilized in the drafting of the Full Employment Bill of 1945, which was later adopted as the Employment Act of 1946.

Planning to Strengthen Democratic Institutions

Following World War II, NPA devoted itself to the task of strengthening democracy at home and abroad. NPA Members believed that the national growth and stability required to meet domestic needs and international obligations could only be assured if our democracy developed new and strengthened institutions. Moreover, the challenge of communist imperialism made a strong democratic performance imperative. Some of the activities to which NPA addressed itself at this time included an appraisal of the effectiveness of our government institutions and fiscal policy, the problems of postwar economic adjustment of specific regions of the United States, the new position of the United States vis-a-vis world trade, and overseas financial and technical aid.

For over a decade, increasing concern had been expressed over the fact that the efficiency of the national legislative machinery was failing to keep pace with the mounting problems of government. In 1945, NPA investigated this situation, and issued the Joint Statement, *Strengthening the Congress*, which gave constructive recommendations for Congressional reorganization. Bipartisan support of these recommendations resulted in enactment of the Legislative Reorganization Act of 1946, which incorporated many of NPA's suggestions, and constituted the most important single step forward in the improvement of the organization and procedure of the Congress ever made.

During the latter part of the war, NPA also focused attention upon general fiscal and monetary policy. In a 1945 report, *Fiscal and Monetary Policy*, Beardsley Ruml and H. Christian Sonne, proposed the use of a contracyclical budget policy. The policy, which met with great controversy at that time, has now been generally accepted as an instrument of national fiscal policy.

A big change in the position of the U. S. economy with regard to world trade was another aftereffect of the war. NPA's newly established International Committee recognized this fact and issued its first report, *America's New Opportunities in World Trade*, which described this change. Its conclusions and recommendations attracted wide interest and advocated many steps, later followed, which would aid the United States in becoming a constructive force in the recovery and economic development of the free world through trade.

However, aid through trade was not enough to repair all the damages which Europe had suffered during the war years. Subsequently, George C. Marshall, then Secretary of State, announced a plan for additional aid in the form of food and tools—a chance for people to help themselves. The great national debate which followed the announcement of the Marshall Plan gave impetus to NPA Board action, and the Board authorized the preparation of a statement dealing with the great and novel administrative problems involved in such an undertaking. The resulting Joint Statement, "The General Principles and

Administration of the Marshall Plan," recommended action which was followed by the government almost to the letter.

By 1953, public and private technical aid programs had become a most constructive element in international cooperation. However, NPA recognizing the ignorance which seemed to surround much public discussion over the usefulness and worth of these programs, decided that a review of purposes, methods, and results of these programs was much needed. Accordingly, it established a Special Committee to appraise technical aid in Latin America where a diversity of programs had been underway for a relatively long time and on a large scale. The Committee's reports were the first systematic appraisal of the entire cooperation effort in such a large world region. Many recommendations were made for improving the organization and techniques of technical cooperation, and, also, the usefulness of these programs was demonstrated to the public.

The war was also a catalyst to the ever-changing domestic economy. The South, for example, was beset by opportunities as well as problems because of the influx of northern industry. NPA formed, in 1946, a Committee to study such factors as the reasons for industry's southern flight and the problems created by it, and recommended a suitable course of action.

Closely related to this problem was the general deterioration of New England's textile-oriented economy which was magnified by the 1949 recession. NPA, at the request of a group of New England leaders, set up a Committee to make a thorough study of the region's economy. Their report, *The Economic State of New England*, became the basis of a ten-year study program for the development of the New England economy.

When economic controls were removed at the end of World War II, and industrial warfare threatened to disrupt the nation, NPA at its 1946 Annual Meeting adopted a Joint Statement, *Goals of Cooperation: A Declaration of Interdependence*, which concluded that peace between the two giants, labor and management, must be maintained or democracy in the long run would lose. Against this background, the NPA Committee on the Causes of Industrial Peace Under Collective Bargaining was established. The Committee—in an effort to discover if what makes for peace in some companies can be transferred to others—surveyed in detail the labor-management relations of companies and unions which had experienced successful and peaceful industrial relations. The resulting reports have been used extensively throughout the world, and several thousand foreign visitors have come to NPA Headquarters to discuss the study's findings.

Planning in Current Critical Areas

In addition to the planning for postwar readjustment and to strengthen our democratic institutions, in recent years NPA has been concerned with a number of critical current problems, national and international. Our survival

as a free people may well depend on the prompt and effective solution of these problems.

NPA's activities in these critical areas include consideration of problems caused by technological innovation, development of economic projections as an aid to long-range planning, and an examination of agricultural problems—domestic and international. Specific approaches have also been made in the field of Canadian-American relations and to the development of new methods for cooperation among the peoples of the Western Hemisphere. Also considered are the effects of new arms technology and nonmilitary defense capabilities on national security and the role of private enterprise in helping less-developed countries of the world.

In some of this work, definite accomplishments can already be recorded. In other instances, NPA's activities are too recent to have done more than establish patterns of thinking which can lead to the public or private actions proposed.

In planning for critical areas, it must be recognized that progress is not a panacea for all economic ills. Technological innovations, for example, by their very nature tend to create critical economic problems. In the United States, one such problem is that of depressed industrial areas and their resulting pools of unemployment and relatively low living standards. In 1956, NPA established a Special Policy Committee to study the problems of these centers of lagging or declining economic activity. In January, 1957, the Committee published the first current comprehensive study made of the problem, and urged that the Federal Government establish soon some effective program for dealing with cronic unemployment. The Committee's work received wide attention. Later in 1957, the Administration and Congress backed differing legislation to establish a federal program and as a result, Congressional legislation was vetoed.

Automation, and its effects—another economic problem created by technological innovation—are of increasing concern to business and labor alike. NPA established a Committee to investigate and recommend a comprehensive national study of the social and economic effects of automation. Their first report received nationwide coverage and stressed to the public the need for solving the pressing problems created by the spread of automation.

NPA's continuing effort to develop private planning has been greatly strengthened by its new National Economic Projections Series. The Series is a striking example of democratic planning—the development and use of a planning tool through the cooperation of all segments of the economy. The Series consists of an annotated projection of the economy ten years ahead, quarterly reports relating this to the current situation, detail on various sectors of the economy, and technical supplements. From the enthusiastic response, it is clear that NPA is making a substantial contribution to the understanding of our economy.

(Continued on page 6)

The People of NPA

H.
Christian
Sonne



Conway Studios

Chairman of NPA's Board of Trustees, Hans Christian Sonne—grandson and namesake of the founder of the first Danish cooperative and son of a famous Danish statesman, cabinet minister, and representative to the League of Nations—began his career in merchant banking with the Frederick Huth & Co. of England upon graduation from the University of Copenhagen in 1912. In 1915, he became Secretary to the Acceptance Houses Committee under the auspices of the Bank of England, and conducted the Bank's money exchange deals to buy the Romanian wheat crop for England to keep it out of German hands. His study, *The City—Its Finance, July 1914 to July 1915*, which threw light on the London money market question at the outbreak of the war, received wide acclaim. Mr. Sonne came to the United States in 1917 as senior partner of the newly established New York branch of Frederick Huth & Co. In 1923, he bought the G. Amsinck acceptance house and became president of the new firm of merchant bankers, Amsinck Sonne & Co. In 1923, he became a U. S. citizen. He is presently President of the South Ridge Corporation, and is also a Vice Chairman of the National Commission on Money, and a Trustee of the CED and 20th Century Fund. His wide experience in the development of national and international problems—not only in the fields of commerce and finance, but in agricultural and labor—includes the founding, with Paul M. Warburg, of the International Acceptance Bank in 1920, and the organization, in consultation with Cordell Hull, of the American-Greenland Commission in 1940 to prevent German control of Greenland. He has written a number of social and economic studies including *Enterprise Island*, an explanation to students of our free enterprise system. Because of his extensive economic knowledge, he has frequently been asked to testify before the House Banking Committee and other public agencies. His interest in NPA is based on the recognition of the "danger of group conflict" and the "desirability of bringing major economic groups together to formulate well-conceived, long-range national policy which when coordinated would constitute a real national program." He believes that "planning is as necessary—if not more so—in a political and economic democracy as it is in a state in which the people have no voice."

"Memo to a College Trustee"

HOW CAN OUR COLLEGES organize their faculties, their teaching programs, their facilities, and their finances to provide liberal education for twice as many students as today—a liberal education of constantly improving quality? These questions are investigated by Beardsley Ruml, Vice Chairman of the NPA Board, Chairman of the Business Committee, and Member of the Steering Committee, and the late Donald H. Morrison, in a recent report addressed to the college trustee. The findings of the authors are directed to the trustee because he has final responsibility and authority for the performance of the institution.

Mr. Ruml examines, in particular, the financial and structural problems of the traditional, independent four-year liberal college. He feels that the "economic and financial problems of the liberal college, together with the structural setting in which they exist, are so central to the life and character of the college that they deeply influence its entire educational purpose and program. This is particularly true," he states, "as they affect the curriculum and method of instruction."

The small liberal arts colleges, notes Mr. Ruml, are in a financial bind because they do not use their present facilities in the most expeditious manner. They not only offer too many courses, but they continue to believe that "the lower the over-all ratio of students to teachers, the better the quality of instruction. . . ." Mr. Ruml also feels that tuition income should be used exclusively for faculty compensation. Nontuition income, on the other hand, should be sufficient to pay for the cost of administration, library, building maintenance, student activities, and other overhead charges.

MODEL STRUCTURES for liberal arts colleges of four different sizes, ranging from 800 to 3000 students, are presented by Mr. Ruml to illustrate the potential financial strength of the small college. Each model is subject to many variations to conform to traditions, objectives, availability of unusual talent or of special facilities and special resources of every kind.

The standard assumptions made for each of the four model colleges are: each student pays \$800 tuition per year; the ratio of students to faculty is 20:1; each faculty member teaches approximately nine class hours a week; and the student class load is 12 hours per week for 33 weeks.

The models show that the choice and number of sections of classes do not necessarily need to be limited by the 20:1 student-teacher ratio, but can range from a selection

of 240 courses a semester, as in the college of 800 students, to 1050 courses, in the larger college of 3000.

In addition, Mr. Morrison, in his discussion on the possibilities of achieving a change in the liberal arts college, points out that numerous studies show that students taught in large lecture-type classes perform on examinations about as well as students in small classes.

In summarizing the problems of achieving a change in the small college, Mr. Morrison states that once a college has made the initial decision to reorganize its curriculum, its choice of methods for the design and administration of the curriculum should be determined by its own traditions, needs, talents, and genius for organization.

APERVASIVE CONCERN in attempting a change, Mr. Morrison points out, is the winning of continuing consent of three major elements—faculty, administration, and trustees. Here, the central problem is to develop a concept of public and institutional interest which is paramount to special interests and in accordance with which curriculum will be designed and administered.

"The creation of unity among diversity, the reconciling and, if necessary, the subordination of special interests to the general, has always been a democratic society's most challenging task. It is especially so in a pure democracy, and the liberal college is perhaps our closest approximation to a pure democracy," concludes Mr. Morrison.

After considering possible models and possible achievements of the small college, Mr. Ruml in the report's concluding chapter examines the kinds of information which the trustee needs to perform his function for the liberal college. He should be informed not only of the financial and operational data of the college, but should be well aware of the educational policies of his college. This information, states Mr. Ruml, enables the trustee to make an intelligent public-relations contribution to the college. With the understanding of the educational and noneducational issues that are in dispute as between faculty, administration, students, secondary schools, alumni, local community, other public or private institutions the trustee can make appropriate and affirmative contribution to the evolving educational personality of his college. "An informed Trustee will serve his trusteeship better than a Trustee who assumes his position simply as a matter of honorific or social status," concludes Mr. Ruml.

(Memo to a College Trustee, Beardsley Ruml and Donald H. Morrison, McGraw-Hill Book Company, Inc., New York: 1959, \$1.00, 102 pp.)

Industrial Plant Size in Underdeveloped Countries

THE SECOND ISSUE of the newly launched bulletin, *Industrialization and Productivity*, published by the U. N. Department of Economic and Social Affairs presents an informative study on "Problems of Size and Plant in Industry in Under-developed Countries."

The study, prepared by the U. N. Bureau of Economic Affairs, deals with the problem of the size of plant capacity, which is one of the key elements in the decision to set up new industries in underdeveloped countries, and "is essentially related to what is generally referred to as economies of scale." When an underdeveloped country seeks to extend the range of its industrial activities, it is frequently not feasible in the initial stages—owing to a lack of sufficiently developed markets—to set up plants whose size will permit costs to be kept at a level competitive to the costs of a similar product produced in an older industrialized country. As long as this disparity exists, imported products tend to discourage any native production of the product.

The study investigates two industries, ammonia fertilizers and glass containers, with the objective of developing a methodology which may be applied in studies of similar problems in other industries. The results of studies using this methodology would be used by government agencies, technical assistance experts, and others who are called upon to make decisions or provide advice in matters relating to planning, establishing, and operating industries in underdeveloped countries.

The study also points out that a lower level of mechanization than is customary in the industrial countries—besides generally corresponding to considerations of national economic policy in the underdeveloped country—would permit a reduction of costs and thus commend itself to the point of view of the private entrepreneur. However, the study adds, "much more important possibilities of substitution may emerge from appropriate studies of the basic production processes themselves." If such studies were carried out by producers of equipment, it would require a certain reorientation of their present research in design: "in fact, in many cases it would run contrary to the present tendency in design research which aims largely at economy in the use of labour." The study also suggests that research might be carried out most advantageously by public and private technological research institutes, both in developed and underdeveloped countries.

In concluding, the study states that it might "be of considerable practical value to undertake systematic case studies . . . in a certain number of other industries, selected either because they are especially important to the development of the less developed area or because they correspond to the particular needs of given regions." ("Problems of Size of Plant in Industry in Under-

developed Countries," *Industrialization and Productivity*, U.N. Publication Center, New York: Bulletin #2, 1959, 72 pp., 70¢ per issue.)

October 24--United Nations Day

Observance of UN Day on October 24 this year will again commemorate the day in 1945 on which the Charter of the United Nations was ratified by a majority of the then 51 participating countries.

Desiring to mark officially that historic date, the General Assembly passed in 1947 an American sponsored Resolution containing the following passage: "... That October 24th shall henceforth be officially called 'United Nations Day' and shall be devoted to making known to the people of the world the aims and achievements of the United Nations to gaining their support for the work of the United Nations."

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The Agriculture Committee has been one of NPA's most active Standing Committees and its work has had considerable influence on U. S. agriculture policy. Committee Statements which have found their way into the mainstream of national and international agricultural policy and thinking include: the endorsement, in 1954, of the idea that surplus farm products should be "donated or sold for foreign currencies to meet human needs and promote economic development abroad rather than be allowed to go to waste" (Congressional appropriations for export of agricultural surplus commodities were substantially increased during 1955-56); the recommendations of the Committee with regard to the evaluation of the farm surplus disposal programs made at the request of the Senate Foreign Relations Committee; the urging of long-range planning of agricultural surplus disposal, by the Committee in 1959, so that the use of U. S. farm surplus products would be less controversial; and the backing of the idea that despite surpluses, farmers should continue to use new technologies, but encouraged the movement of labor from farm to nonfarm employment.

Hemispheric solidarity has been much like the weather. Everybody talks about it, but few ever do anything. Before 1957, there was no private research institution common to the Americas to study the reasons for the general deterioration of hemispheric relations, and resentments were steadily growing in the countries to the north and south of the United States. NPA, in the belief that an objective analysis of the problems native to the Americas and Canada would promote harmonious cooperation established, two committees. In July, 1957, the Canadian-American Committee, jointly sponsored by NPA and the Private Planning Association of Canada, was established to investigate problems intrinsic to Canada and the United States. In that same year, NPA established the Inter-

american Research Committee to meet the need, so often expressed, of finding a new approach for cooperation among all the peoples of the Western Hemisphere. The work of these two Committees are gaining the attention and promoting action of both public and private groups throughout Canada and the Americas.

The effect of new arms technology on national security led NPA to establish a Special Project Committee in 1957 to study the extent to which the methodology of modern weapons can assure national security and the possibilities of limiting international violence through arms control. Its first report, *1970 Without Arms Control*, sought to present an accurate projection of available forces of destruction in 1970 if there were no effective arms control. The report concluded that "in a search for security through armaments, man has created forces whose very presence threatens his national and personal security in a way that they have never been threatened before . . ." and by these technological achievements has created "a feeling that is the opposite of security." In its first Policy Statement of July 1958, the Committee made a number of specific recommendations on the international control of nuclear test explosions which have since been adopted by the government.

The role of private enterprise in helping less-developed countries achieve the economic and social gains to which their people aspire is being carefully studied by NPA. In 1952, NPA established a Special Policy Committee to undertake a series of case studies on U. S. Business Performance Abroad. The studies issued by the Committee are investigations of selected U. S. business firms whose normal and profitable operations abroad have resulted in raising living standards in less-developed countries, and making available to them the foundations of a more mature economy.

The Task Ahead — The Domestic Scene

The first requirement for national planning is a clarification of national objectives and their translation into a more tangible, specific, and internally consistent set of national goals. The course of action developed must avoid two possible blunders—that of making ineffective use of available resources, on the one hand, and permitting too many conflicting claims against available resources on the other. In all cases, however, the best interests—or general welfare—of the people must be the guide to effective democratic planning.

Another task of future national planning is the determination of a feasible goal for production of private and public goods and services. This goal will depend on the rate of economic growth which can be achieved. Conversely, the growth rate that appears desirable and should be promoted depends on the political, economic, and social urgency felt for meeting these goals. Also, the achievement of a desirable growth rate—presently projected

between 4 and 5 percent—would require the concentrated and combined effort of all sectors of the economy as well as the government.

When speaking of national economic objectives and goals, we should not forget that the nation is composed of various regions and that there is a constant interchange of national developments having an impact on local areas and local development having an impact on the national aggregate. The development of methods for regional policies also deserves high priority in any program for the future.

Another task in the period ahead is the formulation of adequate government programs. Experiences of the past have shown that governments have not always spent money wisely. This reinforces the general belief that, by and large, private spending serves the public best. Unfortunately, this sometimes results in a situation in which billions of dollars are spent for private luxuries, while urgent public tasks—education and medical research for example—are left without adequate financing. The establishment and public debate of national economic budget projections could aid in the understanding and solution of this problem.

It should also be recognized that price stability, although not one of the ultimate objectives of society, is a key problem in democratic planning, and without it, economic and social objectives would suffer. Moreover, the economic policies adopted for such stability would only work if concepts and criteria have been developed—and by and large accepted—for price and wage policies that are in the long-run interest of both business and labor, and are conducive to economic growth and price stability. Despite the seemingly unreconcilable views of opposing economic groups, the fact remains that the pursuit of self-interest will be in the end self-defeating unless reconciled with national economic objectives.

Another factor of modern economic life is the growing significance of large and powerful organizations in business, labor, and government. In order to promote the general welfare, three tasks remain. The first is to adopt measures to prevent the misuse of concentrated power. Secondly, opportunities for the establishment of new firms and a chance for small firms to grow must be maintained. Lastly, new standards for reconciling the particular groups interest with the general interests of society need to be established.

The Task Ahead — The International Scene

Democratic planning is as necessary on the international scene as it is in the solution of domestic problems. With a few notable exceptions, however, the United States has done far too little to obtain the benefits of democratic planning abroad despite the responsibilities it has had to assume since World War II. Indeed, it is not too harsh

a judgment to conclude that the reason why the international policy and prospects of the United States have not deteriorated even more since the war has been because of the inherent strength and momentum of American society and the mistakes of our opponents and not because there has been adequate foresight and effective planning on the part of the United States.

The United States, however, cannot continue to conduct its international affairs on an *ad hoc* basis. It must plan ahead. Essentially, democratic planning applied to international problems involves: a definition of national goals over the longer term; the projection of current trends affecting the achievement of these goals on the basis of alternative assumptions as to the changing policies of the nations involved and the effects of various possible contingencies likely to arise in the international situation; and the devising of special policies and programs needed to achieve the national goals in the light of the probable future developments in the world situation.

The United States was unprepared intellectually and materially for the cold war period of international affairs. It would, indeed, be foolish to be equally unprepared for the far more dangerous and difficult period that may lie beyond the cold war. NPA believe that it is by no means too early to analyze the incipient long-term trends and to reappraise U. S. foreign policy accordingly. What needs to be done is to insure that U. S. foreign policy is both adequate to deal with the existing and prospective prob-

lems of the cold war and at the same time capable of influencing the developing longer-run trends in ways which minimize the possibility that their outcome will be unfavorable to the Western nations.

One of the crucial problems on the international scene which must be considered is the role of the disparities in national wealth and income among nations. It is important, therefore, that the U. S. government and private groups and individuals devote increasing attention to analyzing the future configurations of international economic growth, and to the adaptation and improvement of democratic planning techniques for use in the lesser-developed countries.

The problems created by the impact of science and technological innovation, and the long-range implications of space exploration must also be considered when planning on the international scene. These problems must be imaginatively approached and new concepts for dealing with the international situations created by technical progress must be found.

Considering the magnitude and number of these tasks ahead, NPA on its 25th anniversary resolves again to do its utmost to contribute to the solution of these crucial issues. Because NPA does not attract the extremist, and appeals to the great middle group who hold steadfast in their faith in a free America, NPA is, therefore, dedicated to planning an increasingly better life for all citizens. NPA continues to look ahead.

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